

MASSACHUSETTS
Public Employee Retirement Administration Commission
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M E M O R A N D U M

TO: ALL RETIREMENT BOARDS

FROM: JOSEPH E CONNARTON, EXECUTIVE DIRECTOR

RE: **ANNUAL REPORT FOR THE MASSACHUSETTS
CONTRIBUTORY RETIREMENT SYSTEMS FOR THE YEAR
ENDING DECEMBER 31, 2000**

DATE: May 26, 2000

I am pleased to enclose PERAC's Annual Report for the Massachusetts Contributory Retirement Systems for the year ending December 31, 2000.

This report is dedicated to the memory of Pat Lowery, one of our most valued and respected staff members, who passed away last year. Pat's enthusiastic personality, commitment and dedication to public service continue to be a model for all of our staff. We remember her fondly and with great respect.

The 2000 PERAC Annual Report is the fourth that we have completed, providing board members, public officials, employees, retirees, and taxpayers with important information relating to the investment of assets and the financial condition of public pension systems throughout the Commonwealth.

In addition, to the organization and administration of each board, the disability statistics included in this year's report identify the disability retiree return-to-service process administered by PERAC. A roster of retirement board investment managers and consultants, organized by board, can be found at the end of the report.

The year 2000 was a year that all major indices declined throughout the year. Despite record declines in the US stock market, the Massachusetts public retirement systems weathered the market's volatility reasonably well. This market experience proved that diversified asset allocation really makes sense for the long-term investment of Massachusetts pension trust funds.

I would like to thank the retirement board members, their employees, custodian banks, investment managers, and consultants. Your cooperation and assistance were an essential element in compiling this report.

If you have any questions with regard to the financial information contained within this report, please contact Robert Dennis, Investment Director, (Ext. 922) or Jim Lamenzo, Actuary (Ext. 921) at (617) 666-4446. Any other questions related to this report should be directed to Frank Valeri (Ext. 971).

Enclosure